



South Dakota

Secretary of State Jason M. Gant

ECONOMIC REPORT



4th Quarter 2012 Issue

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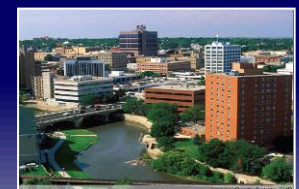
THE SECRETARY'S MINUTE

It is my privilege to provide the public with a 4th Quarter Economic Report for 2012.

The legislative session has just wrapped up, and we look forward to seeing what new changes lie ahead for our State. Governor Dennis Daugaard's 2013 Budget Address gave us some encouraging news. As the Governor stated, "The Economy is recovering....but not recovered" and "South Dakota is outpacing the US economy." He also highlighted four key areas that are improving including jobs, housing starts, gross domestic product, and a decrease in the unemployment rate.

All of this positive news is reflective of the activity in the Secretary of State's Office. The last few months have been very busy for our Corporate Division. As you will see inside this issue, we had a significant spike in new filings in the Fourth Quarter of 2012. Limited Liability Companies (LLC's) made up almost 70% of all December 2012 filings. Filings in the month of December were the highest we have seen since we began tracking them, with an increase in December 2012 of 23% over December 2011.

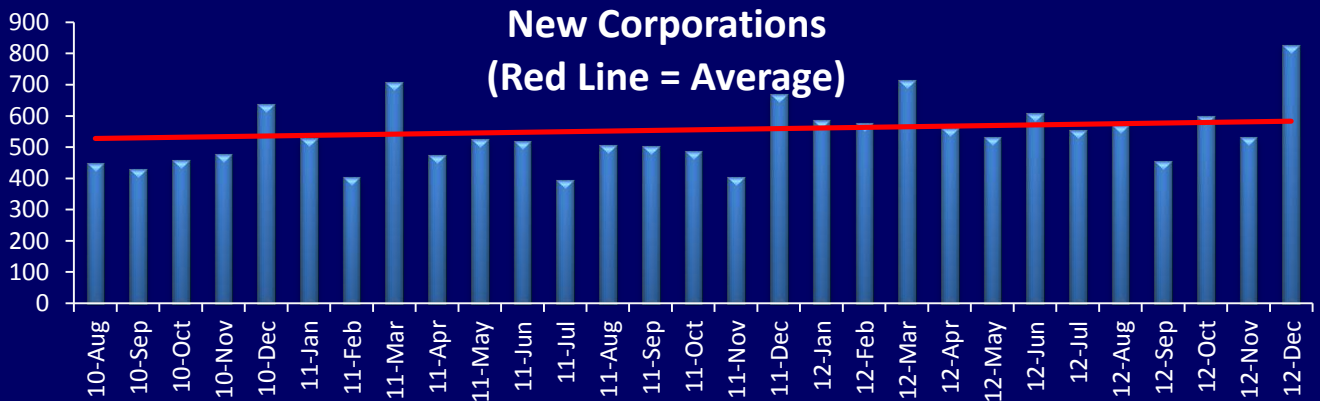
I look forward to the New Year and am optimistic that our economy will continue to improve.



December 2012 Breaks

New Corporation Filing Records

A record number of filings were received in December 2012. A total of 827 new entities were formed in South Dakota in December. This is up from an average of roughly 550 per month.



LLCs (Limited Liability Company) continue to be the formation of choice for new entities. LLC's accounted for almost 70% of the new business registrations in December 2012.

Number of Filings

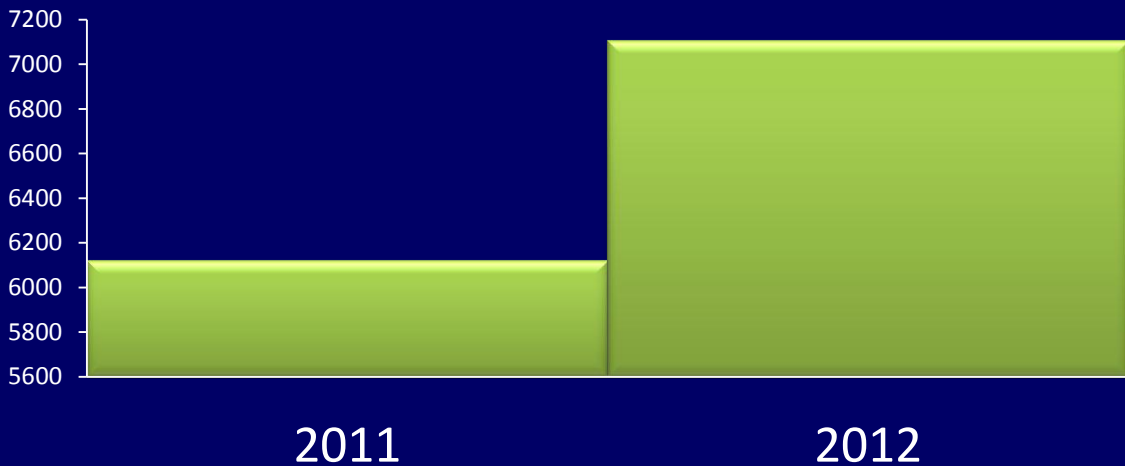
December 2010, December 2011, December 2012



Increase in New Corporation Filings

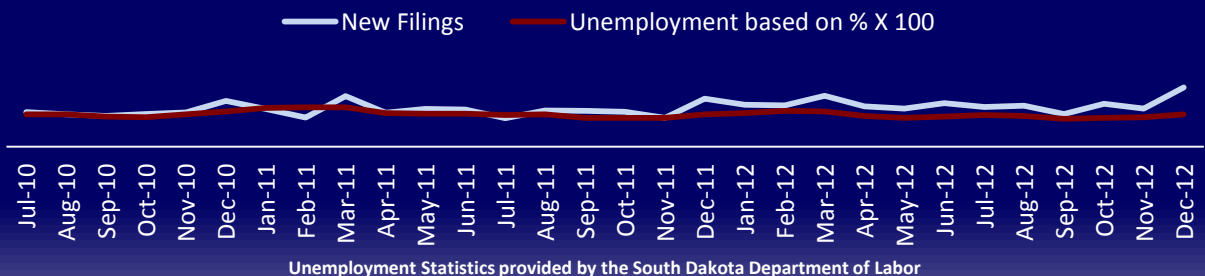
There were 7,108 new entities created in South Dakota in 2012. That's an increase of 986 over 2011. 2013 has started at a pace to outperform 2012.

New Corporate Entities 2011 vs 2012



South Dakota's unemployment rate continues to be lower than the national average. According to the United States Department of Labor, South Dakota ranked 3rd behind North Dakota and Nebraska during the month of December for the lowest unemployment rate.

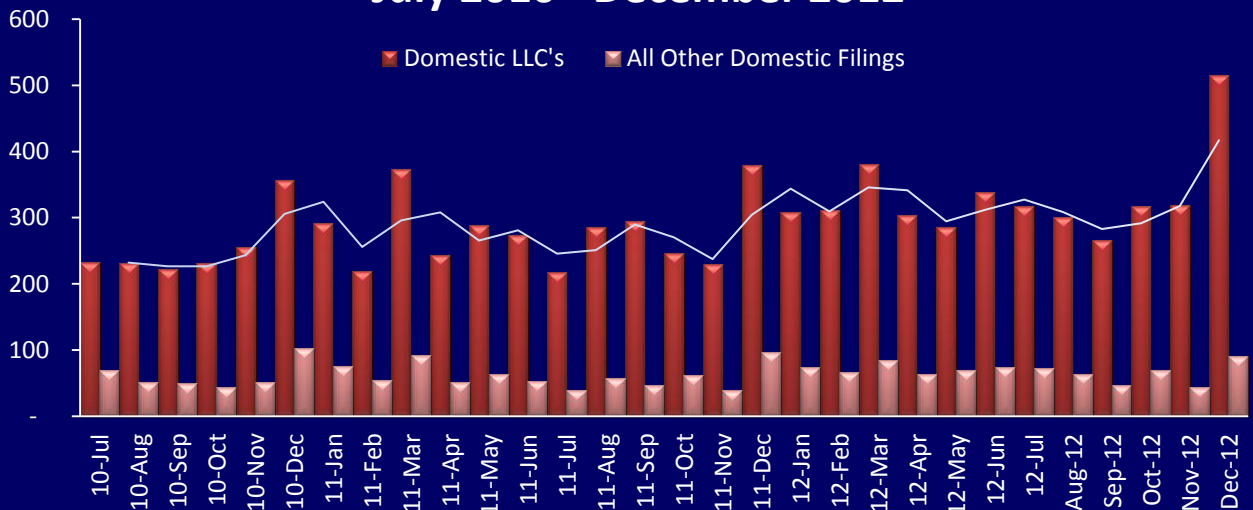
New Corp Filings vs Unemployment



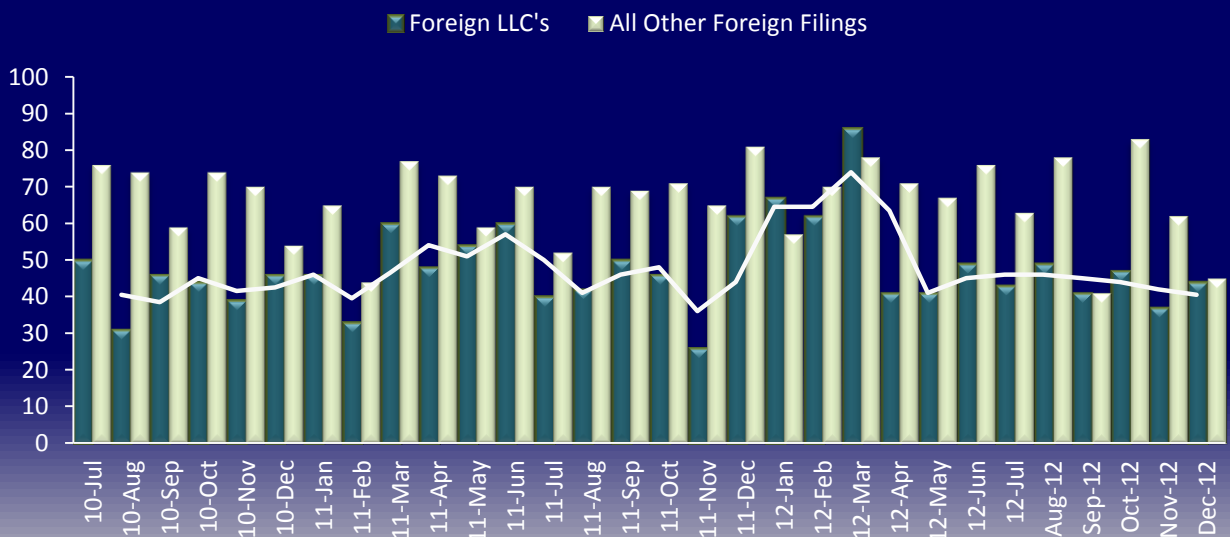
LLCs Dominate New Business Registrations

Domestic Registrations accounted for the majority of new filings. A Domestic Registration is an entity that is formed in South Dakota vs. a Foreign Registration which is established in another state and is coming to South Dakota to do business.

New Domestic Business Registrations July 2010 - December 2012



New Foreign Business Registrations July 2010 - December 2012



Secretary's Spotlight



I recently had the opportunity to tour one of South Dakota's unique manufacturing facilities. OverBuilt, located on the northwest side of Huron, is another one of South Dakota success stories. This is an amazing facility, competing in a global market. Since 1996, OverBuilt Inc. has been manufacturing heavy machinery including car crushers and baler/loggers. Based in Huron, South Dakota, OverBuilt produces top-quality, high-performance equipment for auto salvage yards and scrap metal recyclers. From the cylinders to the hydraulic blocks, all parts on OverBuilt equipment are manufactured and assembled in Huron, SD. OverBuilt maintains a workforce of around 70 employees. I would like to thank the team at Overbuilt for the tour.

For more information visit: <http://www.overbuilt.com/>

